APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/471,971	12/23/1999	ALBHY GALUTEN	9386/1F051-U	8165

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EXAMINER
POND, ROBERT M

ART UNIT	PAPER NUMBER
3625	

DATE MAILED: 04/15/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

	Application No.	**Applicant(s)**
Office Action Summary	09/471,971	GALUTEN ET AL.
	Examiner	**Art Unit**	
	Robert M. Pond	3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed
  after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any
  earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on _07 March 2003_ .

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is
closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) _3-88_ is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) _3-88_ is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on _23 December 1999_ is/are: a)☐ accepted or b)☒ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

11)☐ The proposed drawing correction filed on _____ is: a)☐ approved b)☐ disapproved by the Examiner.

    If approved, corrected drawings are required in reply to this Office action.

12)☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

13)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All b)☐ Some * c)☐ None of:

        1.☐ Certified copies of the priority documents have been received.

        2.☐ Certified copies of the priority documents have been received in Application No. _____ .

        3.☐ Copies of the certified copies of the priority documents have been received in this National Stage
application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

14)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).

    a) ☐ The translation of the foreign language provisional application has been received.

15)☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)	4) ☐ Interview Summary (PTO-413) Paper No(s). _____ .
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)	5) ☐ Notice of Informal Patent Application (PTO-152)
3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____ .	6) ☐ Other: .

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee

set forth in 37 CFR 1.17(e), was filed in this application after final rejection.

Since this application is eligible for continued examination under 37 CFR 1.114,

and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the

previous Office action has been withdrawn pursuant to 37 CFR 1.114.

Applicant's submission filed on 07 March 2003 has been entered.

Response to Amendment

The Applicant filed a Request for Continued Examination under 37 CFR

1.114, submitted a new Declaration under 37 CFR § 1.131, and added Claims

85-88. New art was cited to address pending claims, 3-88, in this non-final office

action.

The Declaration filed on 07 March 2003 under 37 CFR 1.131 is sufficient to

overcome Downs et al., patent number 6,226,618, and Business Wire

("NetWaveInc.com™ Kicks Off QuickBuy™ Enabling Faster, Easier, Safer E-

Business," 7 October 1998, 1337, Dialog File 148 #10507244) references.

R sponse to Arguments

Applicant's arguments with respect to Claims 3-88 have been considered but are moot in view of the new ground(s) of rejection. The Applicant's arguments were based on prior art that is no longer applicable.

Drawings

1.   New corrected drawings are required in this application because Applicant's informal drawings do not meet margin requirements (see Figs. 2, 4, 5-13). Please refer to 37 CFR 1.84 for drawing standards. Applicant is advised to employ the services of a competent patent draftsperson outside the Office, as the U.S. Patent and Trademark Office no longer prepares new drawings. The corrected drawings are required in reply to the Office action to avoid abandonment of the application. The requirement for corrected drawings will not be held in abeyance.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

2.   **Claims 3-4, 8, 12-16, 18-24, 28, 31, 42-43, 47, 51-55, 57-63, 67, 70, 81, and**

83 are rejected under 35 USC 103(a) as being unpatentable over Liquid

Audio (PTO-892 Item: U) in view of Official Notice regarding web server

interaction with web browsers and media players, hereafter referred to as

"ON1."

Liquid Audio teaches a secure Internet music on-demand delivery system and

method that allow online consumers to purchase or sample music titles via a

media player. The online music delivery system comprises a) an Internet

mastering and encoding system for publishing copy protected music for delivery

via the Internet that uses encryption to secure the transmission to a media

player, and implements watermarking to guard against piracy (see Item U; page

1-2), b) a music server where the audio and media assets are stored, "served up"

to online consumers, and monitored. The music sever utilizes standard protocols

to delivery high-quality, scalable, Dolby-encoded audio and media over IP

networks, provides simultaneous audio streams, and provides a turnkey solution

for asset management, copyright protection, royalty tracking and reporting, and

all other aspects of transaction-based music commerce. The music server links

additional information pertaining to the music track (e.g. sale price, tour schedule,

discounts and coupons) that can be requested via the media player (see Item: U,

pages 2 and 11), c) media player software that resides in a consumer's computer

that lets the consumer preview or purchase CD quality music from the Internet.

The media player allows the consumer to see album graphics, lyrics, liner notes

and promotions while listening to superior sound provided by Dolby Digital

Technology. The music player allows the consumer to purchase a CD the

traditional way, or purchase sound tracks delivered over the Internet in audio

streams. The music player supports database functions, and provides a music

organizer that allows the consumer to display music files by artist, song title, play

time, status, and audio quality, sort files by multiple criteria, play songs by

clicking on their titles, and compile favorite song lists. The media player decrypts

received tracks and protects both the record label and artist's rights (see Item: U,

pages 2 and 12-13), and d) the use of a password protected music passport that

authorizes the consumer to purchase and use sound tracks delivered to the

media player. The music passport includes consumer name, address, and credit

card information. Liquid Audio teaches consumers downloading the media player

free of charge at the click of a button or from other sites using the Liquid Audio

delivery system and sampling sound tracks (see Item: U, pages 15 and 19).

Liquid Audio teaches the Liquid LicenseCenter being a trusted third-party system

for delegating and enforcing licensing between the key parts of the system-

licenses for consumers using the music player, distributors using the music

distribution server, and publishers using the mastering tools (see Item: U,

page 3).

Liquid Audio teaches all the above as noted under the 103(a) rejection and

teaches consumers using the media player, and further teaches the media player

communicating with the music distribution system over the Internet in a secure

format as consumers search for titles and make purchase selections. Liquid

Audio, however, does not disclose specific wording reflective of the instant claims

from the music distribution server's perspective. This examiner takes the position

on the following:

- A consumer who clicks one or more sound track icons as displayed by the

  music distribution server to purchase the sound track(s) or request related

  information, causes action within the media player to transmit these

  selections to the music distribution server. From the server's perspective,

  it is receiving a request for an item for subsequent delivery of the

  requested items to the consumer's media player.

- A consumer who views sound track information with a displayed purchase

  price associated with the sound track is viewing an offer formulated by the

  music distribution server.

- A consumer who clicks on the player download icon causes action within

  the media player to transmit the download request to the server. From the

  server's perspective, the server detects the consumer does not have a

  player and wishes to receive a media player via downloading action on the

  part of the server,

- Activating the media player once downloaded into the consumer's

  computer is essential for proper operation with the music distribution

  server, and

- Computer readable medium and a processor are well-known and

   necessary components of computer systems used to store program code

   executed by the processor.

Therefore it would have been obvious to one of ordinary skill in the art at time

of the invention that actions initiated by the music distribution server's media

player on the consumer's computer will cause responsive actions at the server as

taught by ON1, in order to complete the transactions necessary to conduct online

commerce.

3.   **Claims 5, 9-11, 17, 25-27, 29-30, 32-36, 38-41, 44, 48-50, 56, 64-66, 68-69,**

   71-75, 77-80, 82, and 84-87 are rejected under 35 USC 103(a) as being

   unpatentable over Liquid Audio (PTO-892 Item: U) and ON1 regarding web

   server interaction with web browsers and media players, as applied to

   Claims 3 and 42, further in view of Electronic Commerce News (PTO-892

   Item: V) and Ginter et al., patent number 5,910,987, cited in PTO-892 Paper

   #10.

   Liquid Audio and ON1 teach all the above as noted under the 103(a) rejection

and further teach the Liquid LicenseCenter being a trusted third-party system for

delegating and enforcing licensing between the key parts of the system-licenses

for consumers using the music player, distributors using the music distribution

server, and publisher using the mastering tools (see Item: U, page 3), and further

teach content rights management and validating consumer access to rights

protected music content, but do not disclose details on how this accomplished.

Electronic Commerce News teaches Softbank's The Rights Exchange service

based on technology from InterTrust Technologies Corporation. The Rights

Exchange is a clearinghouse service for companies wanting to manage digital

property rights and business models in cyberspace. Electronic Commerce News

teaches content metering technology providing secure methods of transport to

protect intellectual property online. The Rights Exchange service enables

companies to assign business rules to digital content, wherein these rules can be

time-based (i.e. a user can only view the information for a designated amount of

time), event based (i.e. pay-per-use model), or conditional (i.e. special pricing or

upgrade pricing schemes). Electronic Commerce News further teaches

Universal Music Group becoming a Direct Services Partner with Softbank, which

amounts to a retail agreement for direct service to The Rights Exchange powered

by InterTrust Technologies Corporation (see Item: V, pages 1-2). Ginter et al.

teach systems and methods of InterTrust Technologies Corporation for secure

transaction management and electronic rights protection, and secure chains of

handling and controlling information content (e.g. audio, catalog) and information

employed to regulate the use of such content (see at least abstract; col. 1, lines

1-34; col. 3, lines 50-55; col. 4, lines 1-67; col. 5, lines 1-44; col. 6, lines 1-67;

col. 18, line 45). Ginter et al. further teach:

- content containers, container content objects, databases, and metadata,

- display interfaces, a web browser, and database linkage via dynamic links supported by URLs (see at least col. 102; lines 11-17; col. 290, lines 32-34; col. 289, lines 14-19),

- customized interfaces based on security levels (see at least Fig. 7 (602, 614); col. 77, lines 12-29),

- customized access rights and delegation of access rights implemented with a very flexible and extensible content permission rights and user identification scheme aligned by individuals, installations, by groups, by function, and by hierarchical identification (see at least Fig 5b (808); Fig. 26 (808); col. 13, lines 54-60; col. 25, lines 31-38; col. 59, lines 1-18; col. 259, lines 31-67; col. 260, lines 1-10; col. 274, lines 23-67; cols. 275-278),

- formats including but not limited to text, video, audio, graphics, and scanned images (see at least Fig. 5b (304); Fig. 7 (626); col. 51, lines 15-20; col. 58, lines 59-67; col. 131, line 58 through col. 132, line 12; col. 257, lines 13-25; col. 291, lines 64-65),

- object creation and control structures, users creating and partitioning VDE objects by placing meta-data (e.g. author's name, creation date) into them, and assigning rights associated with them and/or object content (e.g. publisher and/or content creator respectively) (see at least Fig. 5a (300); col. 259, line 30-46),

- permission records specifying various control relationships between objects and users, supporting single access (e.g. one-to-one relationship

between a user and a right user) and a group access (any number of

users may be authorized as a group) (see at least col. 259, line 65 through

col. 260, line 6),

- using media players and multimedia players (col. 59, lines 53-67), and

- group-based and role-based access to content (see at least col. 278, lines

  21-25), and by example, teach the sharing of personalized content among

  a group of or peers working for a law firm (see at least col. 274, line 23

  through col. 277, line25), and

- electronic agreements and rights protection, contract agreements with

  content creators, content providers, other sources of content, rules and

  control pertaining to agreements, validation of content offers, validation

  tagging, user rights tables, and object registries (see at least Fig. 2 (100);

  Fig. 2a; col. 2, lines 47-60; col. 4, line 36; col. 5, lines 38-39; col. 6, line

  45; col. 8, lines 16-45; col. 8, line 66 through col. 9, line 13; col. 9, lines

  40-65; col. 10, lines 41-47; col. 14, lines 14-48; col. 40, lines 18-29; col.

  44, line 52 through col. 46, line 64; col. 53, line 18 through col. 56, line 7;

  col. 71, lines 20-24; col. 151, 26 through col. 158, line 56; col. 241, line 5

  through col. 254, line 34; col. 297, lines 7-15).

Therefore it would have been obvious to one of ordinary skill in the art at time

of the invention to modify the system and method of Liquid Audio and ON1 to

disclose offer validation and rights data generation specifics as taught by

Electronic Commerce News and Ginter et al., in order to more completely convey how content validation is monitored and tracked, and how rights data is generated and updated per established license agreements.

Liquid Audio and ON1 teach all the above as noted under the 103(a) rejection but do not disclose sending a content reference from a first consumer to a second consumer, sending the second consumer selected information, determining whether the second consumer is authorized, rendering the information to the authorized second consumer. Electronic Commerce News and Ginter et al. teach all the above as noted under the 103(a) rejection and further teach a) launching content in the form of traveling objects supplied by a content provider to an end-user who can then copy or pass along the content to other end-user parties without requiring the direct participation of a content provider to register and/or initialize the content use (Ginter et al.: see at least Fig. 19; col. 24, lines 25-62; col. 128, line 38 through col. 131, line 57, col. 262, lines 41-55), and b) passing traveling objects along to a second consumer for content evaluation purposes (Ginter et al.: see at least col. 131, lines 55-60). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Liquid Audio and ON1 to include traveling objects as taught by Electronic Commerce News and Ginter et al., in order to create additional content sales opportunities for the electronic commerce site.

Liquid Audio and ON1 teach all the above as noted under the 103(a) rejection and storing the consumer's credit card information in the consumer's passport,

but do not disclose other payment alternatives. Electronic Commerce News and

Ginter et al. teach payment alternatives for financial transactions (e.g. credit or

debit) and payment alternatives for usage (pay per use, unlimited use, flat rate)

(Electronic Commerce News: see Item V: page 1; Ginter et al.: see at least Fig. 4

("How to Pay," "Cost of Unit"); Fig. 25; col. 142, lines 47-50). Therefore it would

have been obvious to one of ordinary skill in the art at time of the invention to

modify the system and method of Liquid Audio and ON1 to include payment

alternatives as taught by Electronic Commerce News and Ginter et al., in order to

provide desirable and competitive approaches to delivering content and paying

for content, and thereby attracting content owners, content providers, and

consumers to the electronic commerce site.

4. **Claims 6-7, 37, 45-46, 76, and 88 are rejected under 35 USC 103(a) as being unpatentable over Liquid Audio (PTO-892 Item: U) and ON1 regarding web server interaction with web browsers and media players, as applied to Claims 3 and 42, further in view of Electronic Commerce News (PTO-892 Item: V), Ginter et al., patent number 5,910,987, cited in PTO-892 Paper #10, and Official Notice regarding well-known sales techniques, hereafter referred to as "ON2."**

Liquid Audio and ON1 teach all the above as noted under the 103(a) rejection

and teach consumers sampling sound tracks, but do not specifically disclose

providing alternative content or default content during offer validation. Electronic

Commerce News and Ginter et al. teach all the above as noted under the 103(a)

rejection and teach validating a user content request at various phases of VDE

access, and further teach by example, time-aged decryption keys that may be

used to allow the purchaser of a "trial subscription" of a electronically published

newspaper, and to access each edition of the paper for a period of one week

after which the keys would no longer work. The user would need to purchase one

or more new permission records or receive an update to an existing one or more

permission records, to access editions other than the ones from that week.

Access to those other editions might be handled with a totally different pricing

structure (e.g. a regular subscription rate as opposed to a free or minimal trial

subscription rate) (Ginter et al: see at least col. 205, lines 21-31). Electronic

Commerce News and Ginter et al. teach user interface pop-up displays that are

driven by the user notification exception interface. The exception interface

provides an interface for communicating with other electronic appliances (e.g.

consumer computer), including requesting and/or for purchasing or leasing

content from distributors, requesting clearinghouse credit and/or budgets, and

sending and/or receiving information. By example, a pop-up consumer interface

dialog is activated when an action by a consumer has been trapped to warn the

user about the amount of expense that will be incurred by the user's action, as

well as to alert the user about the object that has been requested and what that

particular object will cost to use. Electronic Commerce News and Ginter et al.

further teach the pop-up interface informing consumers about expirations of

permission records or other dates/time events (Ginter et al.: see at least col. 235, line 7 through col. 236, line 59). This examiner takes the position that once the consumer attempts to access an expired trial offer, the user notification exception interface will notify the consumer that time has run out and offer options (Ginter et al: see Fig. 72b). This examiner further takes the position that it is a well-known technique in sales to offer a prospect who just completed a trial offer, the "real deal." In the example, the "real deal" would be a full subscription or comparable substitute in an attempt to close a sale on a prospect. Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Liquid Audio and ON1 to offer alternatives as taught by Electronic News, Ginter et al. and ON2, in order to potentially capture sales revenue from a pre-qualified prospect by attempting to sell the full offer, and thereby improve the odds of increasing sales rather than to simply let the "trial offer" consumer leave the electronic commerce site without making a purchase attempt.

Conclusion

The prior art made of record and not relied upon is considered pertinent to

applicant's disclosure:

US 6,385,596 (Wiser et al.) 07 May 2002; teach the system and method of

Liquid Audio of secure online music distribution.

Any inquiry concerning this communication or earlier communications from

the examiner should be directed to **Mr. Robert M. Pond** whose telephone

number is 703-605-4253. The examiner can normally be reached Monday-

Friday, 8:30AM-5:30PM Eastern.

If attempts to reach the examiner by telephone are unsuccessful, the

examiner's supervisor, **Ms. Wynn Coggins** can be reached on 703-308-1344.

Any inquiry of a general nature or relating to the status of this application or

proceeding should be directed to the **Receptionist** whose telephone number is

703-308-1113.

Any response to this action should be mailed to:

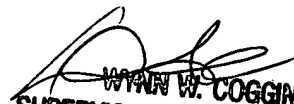> *Commissioner of Patents and Trademarks*
>
> *Washington D.C. 20231*

or faxed to:

> **703-305-7687** (Official communications; including After Final
>
> communications labeled "Box AF")

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal

Drive, Arlington, VA, 7th floor receptionist.

RMP
April 4, 2003

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